ADB Assistance to Gujarat

2858. SHRI SATYAJITSINH DULIPSINH GAIKWAD:

SHRI MADHAVRAO SCINDIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Asian Devleopment Bank has granted a $ 820 million loan for various projects in Gujarat;

(b) if so, the details of the projects to be financed therewith; and

(c) the terms and conditions of the agreement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Asian Development Bank has approved a loan of US$ 250 million on 18th November, 1996 for the Gujarat Public Sector Resource Management Programme. The programme will support Government of Gujarat in augmenting domestic resource mobilisation, improving the allocation and efficiency of the public sector and reducing Government of Gujarat's role in commercial activities while promoting market-oriented policies to enhance private sector participation in the infrastructure. The loan has the standard ADB ordinary Capital Resources terms and conditions with a repayment period of 15 years including a grace period of three years. The loan is scheduled to close in December, 1998.

Fraud in Canara Bank

2859. SHRI RAMSAGAR: Will the Minister of FINANCE be pleased to state:

(a) whether CBI has unearthed a well-knit fraud of over a crore of rupees in Canara Bank branches in Bihar, West Bengal, Gujarat and Maharashtra and have arrested some people in that behalf;

(b) if so, the details thereof;

(c) the details of the bank officials found involved therein in any manner; and

(d) the number of private and public sector bank officials against whom action has been taken or proposed to be taken under the law for dereliction of duty, connivance, negligence etc. during the last three years.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Central Bureau of Investigation (CBI) have reported that they have registered two cases in September, 1996 and December, 1996 pertaining to frauds in Bhore branch and Daraundha branch of Canara Bank in Bihar. CBI have conducted raids and also arrested six persons including three employees of Canara Bank. According to information furnished by Canara Bank, some miscreants in connivance with employees of the bank had stolen 48 demand draft leaves from the Daraundha branch and Bhore branch of the bank. Subsequently, 20 demand drafts were fraudulently encashed by the miscreants at four branches of the bank involving an amount of Rs.100 lakhs. The miscreants also attempted to encash two demand drafts amounting to Rs. 10 lakhs from the bank's account section, Mumbai. However, the fraud was averted. The bank has placed three employees under suspension. An amount of Rs. 22.30 lakhs has been recovered by the bank.

(d) The information readily available relating to action taken against delinquent employees of public sector banks for their involvement in frauds during the years 1994, 1995 and 1996 is given below:

		1994	1995	1996
(i)	No. of employees convicted	50	33	46
(ii)	No. of employees awarded major/minor penalty	1248	1160	1207
(iii)	No. of employees dismissed/discharged/ removed	360	301	331

Credit Growth

2860. SHRI RAMESH CHENNITHALA: Will the Minister of FINANCE be pleased to state:

(a) whether the credit growth is slowing down;

(b) if so, the reasons therefor;

(c) the details of credit growth as against deposit growth in 1996-97 as well as since March, 1997, and

(d) the remedial measure taken or proposed to be taken to improve the credit growth?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) In the last financial year 1996-97, aggregate deposits of scheduled commercial banks increased by Rs. 71,780 crore (16.5 per cent), while total bank credit recorded a growth of Rs. 24,386 crore (9.6 per cent). In the current financial year upto July 18,. 1997 aggregate deposits have increased by Rs. 15,688 crore (3.1 per cent) as against an expansion of Rs. 12,087 crore (2.8 per cent) in the last financial year upto July 19, 1996. Total bank credit of scheduled commercial banks has recorded a growth of Rs. 516 crore (0.2 per cent) in the current financial year upto July 18, 1997, as against a contraction of Rs.2,739 crore (–1.1 per cent) in the corresponding period of the last financial year. Bank investments in shares, debentures/bonds and commercial papers, which also augment the resources for production and investment, have been of the order of Rs.2,650 crore in the current financial year upto June 20, 1997, much